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From: Michael Giannini [mailto:mgiannini@hawaii.rr.com]
Sent: Friday, January 25, 2008 8:58 PM
To: Marshall, Barbara
Subject: Comment on Honolulu City Council Bill 2

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Dear Council Member,

I am writing to express my opposition to City Council Bill 2 (Relating to Water Conservation):

It seems to me the premise of this bill rests with the belief that Honolulu condominium owners have little incentive to conserve water. This is far from true.

I oppose the bill for the following reasons:

1. Condominium owners are acutely aware that excess water usage bears a personal cost: rising maintenance fees and/or special assessments. In the building where I own the unit in which I reside, we have seen our maintenance fees rise by almost 100% in the less than two years the building has been open, in no small part due to increasing utility costs. We are also facing an almost \$1 million special assessment over the next three months in part to pay for energy improvements in the hope of lowering our costs.
2. The costs of installing sub-metering in our building would be staggering. Based on an estimate that I read from Kawika Keala of the Institute of Real Estate Management, it would probably cost our residents something in the neighborhood of three-quarters of a million dollars or more to install these meters, something that would have to be covered by another huge special assessment. Such an additional assessment would, no doubt, force many of our residents to sell their units and depress the values of all units. Passage of this bill would amount to a huge tax and a callous disregard for the economic well-being of tens of thousands of Honolulu residents.
3. Your proposal seems to be based on the belief that sub-metering condominiums owners, as residents, would be the best way to encourage wise use of this precious resource - water. Yet, you disregard the fact that a completely analogous situation exists with regard to renters in apartment buildings by not imposing the same sub-metering on their units. In fact, apartment building owners will pass increased overall water costs on to renters through their rent, just as condominium associations are forced to pass increased water costs on to owners in their maintenance fees. Why the discrimination against condominium homeowners that rests at the core of this bill?

Thank you for taking the time to read this note. Please vote against this bill that would impose a severe and unmerited penalty on condominium owners.

Michael Giannini
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